Why Student Leaders Will Not Fight in Vietnam, P. 3

Ever Wonder What The Phrase "Survival Hangs By A Thin Thread" Means?

"Some of McNamara's departing lieutenants feel the only hope for restraint at the Pentagon is Laird and Deputy Secretary David Packard arrayed against the generals." —*Evans & Novak in the* Washington Post, *April 17.*

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Uncle Sam's Con Man Budget

It's fortunate for the U.S. government that it is not subject to the SEC. Any corporation which filed annual financial reports like the new Federal budget would run afoul of SEC accounting requirements designed to protect the investor. Let us begin with the claim that it now has a surplus instead of a deficit. If a present-day conglomerate had among its subsidiaries an insurance company, and set up its over-all annual accounts in such a way as to make it appear that the legal reserves of its insurance company were available to meet a deficit in its other business operations, that conglomerate would soon find itself hailed into court by the SEC or its own stockholders. Nixon's claim of a $5.8 billion surplus for the coming 1970 fiscal year is based on just such fiction. It is achieved by lumping the surpluses in the government's trust funds with the deficit in its normal operations. Johnson did the same thing in January when he unveiled his 1970 budget and claimed a budget surplus of $3.4 billion. The main source of both claims to a surplus lay in the huge social security funds, the government's public insurance business. These and other trust funds are segregated by law and not usable for any other purpose.

Same Flim-Flam Johnson Used

When Johnson presented his budget, Senator Williams of Delaware pointed out that the Johnson calculations of a surplus for both fiscal '69 and '70 were based on the existence in 1969 of a $9.3 billion and in 1970 of a $10.2 billion surplus in these trust funds. "Under the law," Williams told the Senate, "no Administration and no Congress can divert these trust funds to defray the normal operating expenses of the Government." Williams said that if this bit of deceptive accounting were eliminated, it would be seen that Johnson had a deficit of $6.9 billion instead of a surplus of $2.4 billion in fiscal '69 and a deficit of $6.8 billion instead of a surplus of $3.4 billion in 1970. Senator Williams told me after Nixon's budget revisions were made public that all his criticism of Johnson's budget was equally applicable to Nixon's. Nixon's claimed $5.8 billion surplus for 1970 was really a deficit of $4.4 billion if the trust fund reserves were deducted.*

Of course this method of Federal accounting has been going on for years and of course it accurately measures the net impact on the economy of Federal collections and payments from the standpoint of inflation. In earlier days this was called the "national income account" as distinguished from the administrative budget. But the administrative budget is the better index to the government's fiscal solvency since a deficit in normal operations does not become visible in the consolidated cash account or "unified budget" until the deficit has grown so large that it even wipes out the surplus in the trust funds. The danger signal blinks later in the "unified budget". Earlier budget messages used to give both the consolidated account *and* the administrative budget. But though the basic 1970 budget presentation takes four separate volumes which total 2,012 pages (and weigh, even in paperback, 7 pounds), there is no place in it where one can find the administrative budget. Why admit that the operations of

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*** Williams also criticized Johnson for failing to include in the 1970 budget a $2.7 billion Commodity Credit loss which the government must pay sooner or later. Nixon, too, *brushed this same item under the table.* To carry on the same metaphor, $2.7 billion is quite a crumb.**

The Truth About That Korean Incident

Nixon claims our plane was not closer than 40 miles to the Korean coast when shot down. We enforce far wider limits on our own shores. A U.S. Air Defense Identification Zone requires all planes to identify themselves when two hours out. The U.S. Naval Academy's International Law for Sea-Going Officers teaches our men that "the right of a nation to protect itself from injury" is "not restricted to territorial limits . . . It may watch its coast and seize ships that are approaching it with an intention to violate its laws. It is not obliged to wait until the offense is consummated." Were North Korean reconnaissance planes to begin spying out our coastal defenses we would not wait until they were within our three-mile limit. A Reuters dispatch from Washington we saw in the York, Pa., Gazette & Daily April 18 disclosed these EC-121s were used during U.S. bombing raids on North Vietnam "because they could remain far off the coast and still jam ground radar used to aim Soviet-built ground-to-air missiles." It is not only a spy plane but can disrupt radio transmissions. The Korean civil war may break out again at any time. Each side sees the other as aggressive. In the Korean war U.S. planes levelled literally everything above the 38th Parallel. No country has ever been so completely destroyed by bombing as was North Korea. The memory must stir hate and fear beyond our comprehension. Under the circumstances it is hypocrisy for a great power like ourselves to claim the protection of "international law" for activities so small a nation may reasonably see as preparation for a repeat performance if the war resumes. It is folly to risk another Asian war by these flights. It was silly to put a huge fleet in, and within 24 hours take it out. The incident is another warning of how incompetent is our military bureaucracy and how little it can be trusted.

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the government are still in the red, if you can make it look as if they are in the black? The $10.2 billion surplus in the trust funds helps to dampen inflation but it is not available to buy bombs for B-52s or to feed the hungry.

The "unified budget" has another effect. It understates the extent to which the war machine eats up public revenues. The first chart in the budget message purports to show that 41 cents of every dollar in expenditure goes to the military. But if the trust funds of the government are separated from the rest of its activities, then the military share is about 55 cents. The sums Americans pay into social security trust funds for unemployment, old age and other insurance are no different in this sense from the sums they pay private insurance companies. There is no more reason to lump public insurance than private insurance funds with the general revenues of the government in measuring the impact of military expenditures.

Pentagon Takes 56 Cents Of Every Dollar

The way to begin to see the real fiscal impact of the war machine is to begin with the memorandum line on p. 526 of the main budget volume where "receipts by source" are shown. This discloses that of $198 billion in receipts, $51 billion is in trust funds. This leaves available for the general purposes of the government $147 billion. If you next turn to the table on "budget outlay by function," you will find $81.5 billion for national defense. So national defense takes 55 percent of this $147 billion. Then if you look more closely you will see near the foot of the expenditure table $2.8 billion for civilian and military pay increases. The Pentagon's share of that, for its employees in *and out* of uniform (the Pentagon employs nearly one-half of all the *civilian* employees in the government) is $2.5 billion. When that additional pay item is added, the total for national defense is $83 billion, or better than 56 cents of every dollar available. That is a third (actually 36%) more than the 41 cents shown in the first budget chart.*

At the same time, lumping the trust funds with the general revenues exaggerates the government's contributions to health and welfare. Johnson boasted that outlays for health and welfare in his 1970 budget would be $55 billion "which is 28% of Federal outlays . . . more than double the level prevailing in 1964" when his War on Poverty was launched. But $42.9 billion of this was to come "from self-financed trust funds for retirement and social insurance and Medicare." So almost four-fifths of this benevolent munificence was from the beneficiaries. Only the difference, $12.1 billion, represents outlays from the general revenues. That is about 8%, not 28%.

While the government was to pay $42.9 billion from these insurance and health trust funds, it would collect a total of $45.8 billions in fiscal 1970, or almost $3 billion more than it paid out. This addition to the surplus in the trust funds is, of course, anti-inflationary, for it cuts down purchasing power, but this is purchasing power at the bottom of the economic pyramid, taken from those least able to pay. Regarded as taxation, social security deductions from payroll represent a savagely regressive — and, unlike so many income taxes, inescapable—form of taxation. I can remember, when social security legislation was first being drafted in the early days of the New Deal, writing editorials proposing — as did other liberals and radicals — that it be financed out of income taxes so as to create a more equitable distribution of wealth, taking funds from the top of the pyramid to ease poverty at the bottom. The Social Security system adopted, which we still have, essentially takes from the poor what it gives them, and gives less than it takes.

The Welfare System and the War on Poverty were admissions that social security was abysmally inadequate. But

*** I can remember when a feature of the annual federal budget presentation was a chart showing how much was absorbed by past, present and future wars. This added military expenditures, veterans' benefits and interest charges, the last item because past wars are the real reason for the public debt. These three items in the 1970 budget total more than $106 billion and will take more than 70% of the general revenues. Secretary Laird said the other day that much of the Soviet Union's space activity was really military. This is also true of our space program. The funds spent on rocket boosters to reach the moon also improve the technology of mass murder by intercontinental ballistic missile. If space is added to the other three items, the total is $110 billion, or almost 75% of the $147 billion available.**

Even Aerospace Organs Skeptical of The ABM

"Any effective ABM system must achieve a degree of efficiency hitherto unknown to defense. For, with high megaton warheads in the offense, even a 90% efficient ABM system probably could not limit damage to an acceptable level."

—Editorial: Aviation Week *March 31*

"If any current defense project had to become embroiled in politics, it couldn't have happened to a more marginal one [than Sentinel]. In view of the thin Chinese threat it is meant to counter and the thick wad of dollars it would cost . . . I see this as a healthy development. The sacred cow status of defense during most of the years since World War II was not healthy . . . I have hopes that we will learn to see defense in a clearer perspective if the implications and ramifications of a weapon system like Sentinel are aired in public . . . Defense is essential, but so are a few other things."

—Englebert Kirchner, executive editor of Space/Aeronautics *in its February issue.*

Congressmen Beginning to Ask Why Duplicate Protection of Minutemen Sites

"Defense Dept. continuation of the Minuteman hard-rock silo development program . . . may prove a major embarrassment to the Administration. The Johnson Administration described the hard-rock plan as a substitute for ABM protection . . . A total of $58 million planned by the Johnson Administration for hard-rock silo development is retained in the Laird Fiscal 1970 budget . . ."

—Aviation Week and Space Technology, April 14, 1969

"Superhard missile silos now being constructed will provide the same protection for U.S. Minuteman as an antiballistic missile, Air Force Secretary Brown told the Senate Appropriations Committee . . . Air Force officials envision Minuteman III silos with hardness in excess of 2,500 psi [pounds per sq. inch], or 10 times the current rating . . . Completion of the super-hardening is expected to coincide with the first deployment of Soviet multiple independently targeted reentry vehicles (MIRV) in the early 1970s . . . It would require up to four times the megatonnage, delivered with near perfect accuracy, to destroy a superhard silo . . . The Soviets are not expected to possess enough striking power to destroy U.S. second-strike missile capability, under cover of the super-hard silo program, for the foreseeable future."

—Aviation Week & Space Technology, May 13, 1968

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Johnson's War on Poverty was made to look far more extensive than it was, and Nixon's revisions use the same deceptive computations. "Our 1970 Revised Budget," says a Budget Bureau statement of April 14, "involves *a 10% increase over FY '69 in spending for the poor* (italics in the original). This reflects our deep commitment to the underprivileged." The Budget Bureau statement did not explain, however, that this also represented a cut of $300 million in Johnson's poverty recommendations for fiscal 1970 — nor that much of this bloated estimate is padded out with normal payments from social security.

How The Figures Are Padded

Johnson claimed he would spend $27.2 billion on "Federal Aid to the Poor". Nixon out of that "deep commitment" revised this downward to $26.9 billion. The biggest item in Johnson's, as in Nixon's, Federal Aid to The Poor compilation (at p. 47 of the main budget message volume) is $13.5 billion for "income assistance." My curiosity was piqued by a discrepancy of almost $10 billion between this item and a passage at pages 42-3 of the Budget in Brief. This said that Federally aided public welfare would in fiscal 1970 provide assistance to a monthly average of 10 million individuals at a total cost of $7 billion. "The Federal share," it said, "was $3.7 billion." When I asked the Budget Bureau where the rest of the claimed figure of $13.5 billion came from, I got this compilation (in millions):

600	**administrative expenses**
6,300	**old age pensions**
400	**R.R. retirement pensions**
500	**unemployment insurance**
2,100	**Veterans Administration***
$9,900	**Total**

The figures given me were "rounded" and so the final totals do not quite match but this $9.9 billion of "padding" explains how that $3.7 billion in Federal welfare income assistance was made to look like $13.5 billion.

It is fortunate that few people on welfare spend their spare time reading the Federal budget. It would foment riots. The Budget Bureau "press kit" for Nixon's revisions of the 1970 budget says these involve "hard choices" and are part of the Nixon Administration's "concern for the poor." Nixon added $300 million for dependent children but squeezed $200 million of this out of a projected increase in our pitifully low old age pensions. "For the aged," the same Budget Bureau explanation says, "a 7% social security cost-of-living increase is included in the revised 1970 budget." It does not explain that this is a revision *downward* from the 10% increase recommended by Johnson, nor that Nixon also shelved Johnson's proposal to increase the minimum from $55 a month to $80 a month. There are 2,000,000 Americans — believe it or not — now expected to enjoy retirement on $55 a month! Instead of getting a $35 raise to $80 a month, they will only receive the general 7% increase, though I was told this would be "rounded off" so that instead of a mere $3.85, they would get $4 or $5 a month more. This could bring them up to $60 a month. Thanks to the Administration's concern for them, moreover, the revised legislation "includes liberalization of the social security retirement test" allowing them to earn more outside income without having it deducted from their pensions. The liberalization turns out to be $120 a year, about $2 a week*, and raises the

*** The Budget Bureau, when I asked what the Veterans' Administration had to do with the war on poverty, explained that 80% of veterans' pensions, 75% of veterans' survivors' pensions and 20% of other veterans' benefits had been counted as "Federal Aid to The Poor" in the Johnson table!**

*** The liberalization will allow a maximum of $1800 a year without deductions. By comparison retired professional military men (20 years service) are allowed under the Dual Compensation Act of 1964 to fill Civil Service jobs paying up to $30,000 and still collect their full pensions, a privilege not given other veterans. Under the new pay raise this will**

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Apartheid Si, Castro's Cuba No

"Let me make clear at the outset that our economic relations with other countries should not and do not imply approval or disapproval of their forms of government or of their policies . . . We do not believe that economic quarantine or isolation would lead the South African Government to abandon apartheid."

Deputy Asst. Sec. of State Julius Katz, April 15, telling the House African Affairs Subcommittee why we still buy sugar from South Africa.

"HAVANA, April 25 (AP)—Eight Roman Catholic Bishops have called for a lifting of the economic boycott of Cuba, which is fostered by the United States. The appeal was made in a four-page pastoral letter . . . [which] refers to the boycott as an 'economic blockade.' The Bishops said that Cuba's economic isolation is creating grave difficulties 'that weigh principally on our workers of city and field, upon our housewives, upon our growing children, upon our sick, upon so many families affected by separation from loved ones . . .'"

—New York Times, *April 26.*

Why 253 Student Leaders Vow To Refuse Service Until The War Is Ended

"Students have, for a long time, made known their desire for a peaceful settlement . . . In December of 1966, our predecessors as student body presidents and editors, in a letter to President Johnson, warned that 'a great many of those faced with the prospect of military duty find it hard to square performance of the duty with concepts of personal integrity and conscience.' In June of 1967, our predecessors submitted a petition signed by over 10,000 draft eligible students from nine campuses, calling for alternative service. Despite all our efforts, the Selective Service System has remained impervious to contructive change. . . .

"Most of us have worked in electoral politics and through other channels to change the course of America's foreign policy. We will continue, but the possible results of these efforts will come too late for those whose deferments soon expire. We must make an agonizing choice: to accept induction, which we feel would be irresponsible to ourselves, our country, and our fellow man; or to refuse induction, which is contrary to our respect for law and involves injury to our personal lives and careers.

"Left without a third alternative, we will act according to our conscience. Along with thousands of our fellow students, we campus leaders cannot participate in a war which we believe to be immoral and unjust. We publicly and collectively express our intention to refuse induction and to aid and support those who decide to refuse. We will not serve in the military as long as the war in Vietnam continues."

—Statement (slightly abridged) by 253 student body presidents and college newspaper editors in conjunction with a similar letter to President Nixon, April 18.

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ceiling on allowed earning to $36 a week! What a dolce vita!

Roughly a billion each was cut out of social security and out of the military budget by Nixon. This symmetry of sacrifice is deceptive. Before anyone starts dropping pennies into cups for the Pentagon, I would like to lift the curtain on another murky corner of the budget. To evaluate the Nixon military "economies" you have to go back for another look at the Johnson budget for 1970. This projected a drop of $3.5 billion in the costs of our "Southeast Asia operations." This was to be our first dividend on the road to peace, the money to be saved principally by ending the bombing of the North. Johnson in making up his budget could have allocated this $3.5 billion to welfare or to the rebuilding of the cities. Instead Johnson's budget allocated $4.1 billion more to military spending *unconnected with the Vietnam war.* This accounts for the fact that in his 1970 budget the cost of national defense rose by more than half a billion dollars over 1969 despite the projected $3.5 billion drop in the costs of the Vietnam war.

A Monster At The Head Of The Table

This favored treatment of the military machine has to be seen against the background of a figure revealed in the Nixon revisions. His revised budget estimates for fiscal 1969 which ends next June 30 discloses that $7.3 billion had to be squeezed out of the normal civilian and welfare operations of the government in this fiscal year to meet the expenditure ceilings imposed by Congress as a condition for voting the 10% surtax. This squeeze over and above the original 1969 budget was made necessary by an unexpected rise in certain "uncontrollable" items exempt from mandatory ceilings. *The biggest uncontrollable item was the Vietnam war which cost $3 billion more in fiscal 1969 than had been budgeted for it.* So all kinds of services were starved in 1969 to meet the swollen costs of Vietnam in fiscal '69. Yet when a $3.5 billion drop in Vietnam war costs were projected for fiscal '70, the amount saved was not allocated to the depleted domestic sector but to the growth of the war machine.

Nixon's cut of $1 billion in military outlays can only be evaluated properly if you first start by observing that it was *a cut in a projected $4.1 billion increase* in military spending. The cut came out of a lot of fat, whereas the cut in health, education and welfare, and domestic services, came close to the bone and gristle. The second point to be made about the military cuts is that they represent no real overhaul of the bloated military budget. Robert S. Benson, former aid to the Pentagon Comptroller, recently showed (*in the March issue of The Washington Monthly*) how easily $9 billion could be cut out of military spending without impairing national security. But the three main "economies" cited by the Nixon backgrounders are sleight-of-hand. One is "lower consumption of ammunition in Vietnam". This looks optimistic in view of the enemy offensive and our own search-and-destroy missions; as in other years, this may be one of those preliminary under-estimates which turn up later in a supplemental request for funds. The second "saving" comes out of the shift from Sentinel to Safeguard, but the reduction in fiscal 1970 will be at the expense of larger ultimate costs. Indeed while the Nixon estimates show that Safeguard will ultimately cost $1.5 billion more, McGraw Hill's authoritative DMS, Inc., service for the aerospace industry puts the final cost $4.3 billion higher, or a total of $11 billion without cost overruns (which DMS expects). The third "economy" cited is $326 million saved (as a *Washington Post* editorial noted tartly April 3) by "postponing procurement of a bomber missile (SRAM) that doesn't yet work." Like all else in the Nixon Administration, the budget revisions represents feeble compromises which give the military machine priority over the growing urban, racial and student crises.

mean retired army officers can draw up to $50,000 a year in Civil Service pay and pensions.

Nixon Pipe-Dream

"Political stability in South Vietnam has increased significantly since this Administration came into office."

—President Nixon's press conference, April 18.

"PARIS, April 19—Nixon's stand on possible one-sided reduction in U.S. troop strength in Vietnam . . . has added to the uncertainties on this conference scene . . . North Vietnamese sources here argue it is inconceivable there can be anything more than token or propagandistic cutbacks in U.S. forces . . . They maintain any major reduction in American combat troops will cause the South Vietnamese government to collapse. Many allied experts here privately agree. They measure the ability of South Vietnamese troops to take over any significant proportion of the fighting in years, not months."

—Murray Marder in the Washington Post, *April 20.*

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